



CATHERINE NOLAN
37TH Assembly District
Queens County

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MTA Capital Program Review Board

September 28, 2005

FDIC - San Francisco Regional Office
Regional Director John F. Carter
25 Jessie Street at Ecker Square, Suite 2300
San Francisco, California 94105

Re: Comments Regarding Application of Wal-Mart Stores, Inc. to Form an Industrial Bank

Dear Mr. Carter:

We, the following members of the New York State Assembly, are writing to offer comment on the application of Wal-Mart Stores, Inc., seeking a charter and federal deposit insurance for the proposed Wal-Mart Bank, which would be formed as a Utah industrial bank. We oppose the application, and we request that the FDIC conduct public hearings on the application to encourage a more open discussion of the significant public policy issues it creates.

The proposed Wal-Mart Bank, according to the application, would serve primarily to facilitate the processing of check, credit card and debit card transactions from customers in Wal-Mart stores. However, this narrowly-defined business plan should not obscure Wal-Mart's well-documented history of attempting to enter the banking industry in a more comprehensive manner. Wal-Mart's previous attempts to enter the banking industry – an application in 1999 to purchase an Oklahoma thrift institution, an application in 2001 to establish a partnership with TD Bank, and an application in 2002 to purchase a California industrial loan company – each were blocked by federal and state lawmakers and regulators who upheld the nation's long-standing policy of separating commerce and banking. We urge the FDIC to uphold this policy once again.

Additionally, we are troubled by Wal-Mart's desire for exemption from Community Reinvestment Act (CRA) requirements. The CRA ensures that financial institutions invest in the communities in which they operate. Wal-Mart's attempt to circumvent CRA responsibilities, at the outset of its potential entry into the banking sector, augurs poorly for a Wal-Mart Bank's long-term effects on a community.

In conclusion, we reaffirm our support of the nation's long-standing separation of commerce and banking, and of the Community Reinvestment Act. Therefore, we are in



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opposition to the application for the proposed Wal-Mart Bank, which threatens both of these policies. Furthermore, in recognition of the fact that Wal-Mart is the world's largest retailer, we respectfully request that the FDIC conduct public hearings on the application to afford the public a more salient opportunity to comment on this significant issue.

Sincerely,

A handwritten signature in cursive script that reads "Catherine T. Nolan".

Assemblywoman Catherine Nolan
Chairwoman, Committee on Banks

Assemblyman Kevin Cahill
Assemblywoman Joan Christensen
Assemblywoman Patricia Eddington
Assemblywoman Ginny Fields
Assemblyman Richard Gottfried
Assemblywoman Earlene Hooper
Assemblywoman Susan John
Assemblyman John Lavelle
Assemblyman Charles Lavine
Assemblywoman Margaret Markey
Assemblyman John McEneny
Assemblywoman Joan Millman
Assemblyman Daniel O'Donnell
Assemblyman Felix Ortiz
Assemblyman Nick Perry
Assemblywoman Audrey Pheffer
Assemblyman Robert Reilly
Assemblywoman Naomi Rivera
Assemblyman Peter Rivera
Assemblyman Kenneth Zebrowski